



Arizona State Retirement System

3300 North Central Avenue, Phoenix, AZ 85012

WWW.ASRS.STATE.AZ.US

News Release

Contact: David Cannella
Communications &
Media Relations Manager
(602) 240-2016

*February 23, 2005
For Immediate Release*

ASRS Board adopts Consultant Oversight Policy

The ASRS Board of Trustees has approved an Investment Consultant Oversight Policy and Procedure that codifies and strengthens the agency's conflict of interest procedures pertaining to ASRS investment consultants and fund managers.

ASRS staff worked closely with the Board Investment Committee in drafting the new policy that addresses the importance of disclosing relationships that exist between ASRS investment consultants and fund managers and identifies the appropriate level of due diligence necessary to identify those relationships that may be deemed detrimental to the ASRS. Further, the new policy memorializes the separation of investment duties that may be perceived as a conflict of interest, and annunciates the intent of the agency to not utilize the services of investment consultants who receive compensation from investment managers.

As part of the due diligence process, the ASRS has required investment consultants to fully disclose all relationships that exist between them and the investment management community. Under the policy, the ASRS will not utilize the services of any investment who receives compensation from investment managers.

"This new policy will provide a level of due diligence intended to promote greater consultant objectivity," ASRS Director Paul Matson said, adding that the ASRS require consultants and investment managers to provide the ASRS with any information regarding significant organizational or key personnel changes that may occur within their firm and disclose information regarding any investigations or inquiries into their business practices by any regulatory agency.

The new policy took effect immediately upon Board approval Friday, Feb. 18, 2005.

#